

CALIFORNIA GAMBLING CONTROL COMMISSION
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Commission Meeting
1416 9th Street, Auditorium
Sacramento, CA 95814
October 24, 2001, 9:30 a.m.

OPEN SESSION

Commissioner Smith called the meeting of October 24, 2001, to order at 9:33 a.m. with Commissioners Sasaki, Smith, and Palmer present.

Staff Present: Gary Qualset, Deputy Director Licensing and Compliance Division; Cara Podesto, Manager, Application Section; and Peter Melnicoe, Chief Counsel.

The Pledge of Allegiance was recited.

Commissioner Sasaki moved to approve the September 19, 2001, Commission Meeting Minutes. Commissioner Palmer seconded the motion, which was adopted unanimously.

Commissioner Smith announced that the application for the Gaming Policy Advisory Committee was available to be picked up at the end of the meeting.

DECISION ITEMS:

1. **Cardroom Approval of Work Permit Applications:**
 - a. Empire Sportsmen's Association:
McDaniels, David
 - b. Jok-Erz Wild Casino:
Guov, Guech
Phanthabouth, Psae
Wells, Steven
 - c. Napa Valley Casino:
Pesino, Lorenzo
 - d. Poker Flats Casino:
Enea, Anthony
 - e. The River Cardroom:
Barton, Noelle
Laos, Justo
 - f. Ven-A-Mexico:
Amaya, Maria

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of Item 1, sub-items a. – f. Commissioner Sasaki moved to approve Item 1, sub-items a. – f. Commissioner Palmer seconded the motion, which was adopted unanimously.

2. Cardroom Approval of State Gambling License Renewal:

- a. Angie's Poker Club: Angela Harris, Sole Proprietor.
- b. The Cottage: Mickey Worley, Sole Proprietor.

- c. El Ranchito Card Room: Vicente Martinez, Sole Proprietor.
- d. Gloria's Lounge & Casino: Gloria Lea Gutierrez, Sole Proprietor.
- e. Livermore Saloon & Casino: Sidney Ahn, Sole Proprietor.
- f. Marina Club: Guy Calamia, Sole Proprietor.
- g. Oasis Card Room: Chieko Epstein, Sole Proprietor.
- h. Royal Flush Casino: Adolfo & Hope Martinez, Sole Proprietor.

Deputy Director Qualset recommended that Item 2d., and 2e., be removed for separate discussion, which was approved by the Commission. Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of Item 2, sub-items a., b., c., f., g., h. Commissioner's Palmer, Smith and Sasaki indicated that information provided by the Division of Gambling Control lacked uniformity, often using varying terminology and was inconsistent in the amount and type of information provided. Deputy Director Qualset indicated that staff anticipated meeting with the Division of Gambling Control in the near future to discuss establishing a more standardized format to be used in preparing recommendations.

Commissioner Palmer moved to approve the license renewals for Item 2, sub-items a., b., c., f., g., and h. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Deputy Director Quaslet indicated that the Division of Gambling Control recommended approval of the gambling license on Item 2d., Gloria's Lounge and Casino, although Commission staff noted concerns regarding Penal Code violations. Due to the Casino's previous violations, Deputy Director Quaslet indicated that Commission staff recommended a temporary approval of license for 90 days with the Division of Gambling Control continuing to monitor the Casino. Commissioner Palmer moved to approve a temporary license for 90 days, for the period of November 1, 2001, through January 31, 2002. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Deputy Director Quaslet indicated that the Division of Gambling Control recommended approval of the gambling license on Item 2e., the Livermore Saloon and Casino, previously approved for a temporary license that would expire on October 31, 2001. Deputy Director Quaslet further indicated that because the Saloon had not received local license approval, Commission staff recommended a conditional license approval subject to proof of local license approval. Commissioner Palmer moved to approve the license with the condition that the license not be issued until proof was received from the licensee of the local license approval. Commissioner Smith questioned how the Commission staff would carry out the condition with the licensee. Deputy Director Qualset stated that Commission staff would notify the licensee of the conditional approval of the license and would hold the license until the Commission received proof of the local license approval. Commissioner Sasaki seconded the motion, which was unanimously adopted.

3. Cardroom Temporary Approval of State Gambling License:

- a. Central Coast Casino (Paso Robles): David Stearns, Sole Proprietor.
- b. S & K Cardroom: Otho Smith, Sole Proprietor.

Deputy Director Qualset recommended to the Commission that Items 3a., and 3b., be discussed separately, which was approved by the Commission.

Manager Podesto stated that because the application was filed late, the Division of Gambling Control had not completed it's review for license renewal on Item 3a., Central Coast Casino. Manager Podesto indicated that Commission staff recommended a

temporary approval of the license pending completion of the Division of Gambling Control's review. Commissioner Sasaki inquired whether Commission staff had received any information from the Division of Gambling Control that would be a cause for concern in issuing a temporary license renewal. Manager Podesto responded that the Commission has not received any information on the licensee from the Division of Gambling Control. Commissioner Smith inquired about the delay and the duration of the temporary license. Commissioner Smith further suggested that the Division of Gambling Control should provide clear reasons for any delays. Commissioner Palmer requested the Division of Gambling Control provide the Commission with a summary of those information items the Division had obtained as well as those they that were still outstanding for all future delayed items. Commissioner Palmer also stated that although he was inclined to grant approval of a temporary license in this instance, he did not want to set a precedent in which the Commission would grant temporary license approvals for recurring delays by the Division of Gambling Control or in those instances where renewals were filed late. Commissioner Smith requested of Deputy Director Qualset that these concerns be conveyed to the Division of Gambling Control and Deputy Director Qualset informed the Commission that staff would follow-up on these issues with the Division of Gambling Control. Commissioner Sasaki moved to approve a 45-day temporary license renewal to allow the casino to continue operating pending completion of the Division of Gambling Control's review. Commissioner Palmer seconded the motion, which was adopted unanimously.

Deputy Director Quaslet stated that the Commission had previously tabled Item 3b., at the October 10, 2001, Commission Meeting because additional information was needed from the Division of Gambling Control in order to make a determination. Commission staff had received the additional information from the Division of Gambling Control regarding violations of local ordinances and Penal Code violations, which the Division of Gambling Control concluded had been resolved. The Division of Gambling Control indicated they would continue to monitor the casino. Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of renewal of the gambling license instead of issuing a temporary license. Commissioner Palmer moved to approve the license renewal. Commissioner Sasaki seconded the motion, which was adopted unanimously.

PUBLIC COMMENT:

John Sustaita, Gambling Consultant, asked the Commission to provide clarification of the Business and Professions Code section 19933.5A. (b). specifically regarding who defines what is "knowingly and willfully." Chief Counsel Melnicoe responded that he interpreted the statute to imply that the Commission would make the decision and that the Division of Gambling Control would or could supply the Commission with facts as the bases for the Commission's decision. Chief Counsel Melnicoe also indicated to Mr. Sustaita that it would be helpful to have these questions submitted to the Commission in writing.

CONSENT CALENDAR ITEMS:

None

CLOSED SESSION:

Commissioner Smith announced that the Commission would be going into closed session and would reconvene in one hour. At 10:12 a.m., the Commission adjourned to closed session after Commission Counsel stated that discussions concerning litigation

would take place under Government Code Section 11126(c) and 11126(e), and personnel issues under Government Code Section 11126(a)(1).

RECONVENE OPEN SESSION

Commissioner Smith reconvened the open session at 10:55 a.m., indicated there were no announcements and that the next Commission Meeting will be held on November 7, 2001. Commissioner Sasaki moved to adjourn the meeting. Commissioner Palmer seconded the motion, which was adopted unanimously; the meeting was adjourned at 10:57 p.m.